

"Where Heaven and Earth meet"



City of Mt. Shasta
Five Year
Capital Improvement Program

FY 2012/13 - 2016/17

Without Detail Sheets

"The mission of the Mt. Shasta Community Action Plan is to maintain the character and resources of our small town community while striking an appropriate balance between economic development and preservation of our quality of life."

**City of Mt. Shasta
Five Year Capital Improvement Program
Fiscal Years 2011-2012 through 2015-2016**

Table of Contents

Executive Summary	1
Program Purpose and Description	2
General Plan Discussion	5
Finance Plan/Debt Strategy	7
Program Summaries:	
Completed Projects Summary	10
Current Year Project Summary	11
Program Appropriation Summary	12
Project Summary by Category	13
Program Summary by Funding Sources	15
Real Estate Inventory (City Owned Property)	19
Project Detail Sheets	
Special Projects (SP)	20
Facilities (CF)	30
DPW Streets (ST)	33
Police and Fire (PS)	39
DPW Drainage (SD)	42
DPW Water (WA)	46
DPW Wastewater (WW)	51

City of Mt. Shasta
Five Year Capital Improvement Program
Fiscal Years 2012-2013 through 2016-2017

Executive Summary

This is the fourth year of the City's revised Capital Improvement Program (CIP), which serves as the City's basic tool to plan, organize, and document various projects needed to meet the many infrastructure and capital investment needs of the community. It is hoped that the format of this document will provide more information on the projected needs, as well as the challenges and opportunities the City faces in the coming years.

Staff is continuously working to integrate the CIP with other City documents, as they are prepared or updated. The most important of these are the Master Plans for the Water System, Wastewater Collection and Treatment System, and the Storm Drainage System in the City's Enterprise Funds. In addition, the City's Pavement and Sidewalk Management Plan, the City portion of the Regional Transportation Plan, and most importantly the City's General Plan inform the development of the CIP. The Capital Improvement Program is seen as a living document that will grow and change from year to year as community needs, priorities, and funding opportunities change.

The total Capital Improvement Program contains 40 projects totaling almost \$24 million. Only 10 of these projects totaling \$1.388 million are funded for the current year, and the majority of these are funded by grants. Of the remainder all but two are Enterprise Fund projects, and those two remaining are to be funded by Highway User Tax appropriations.

Formatting

The CIP includes a discussion of General Plan compliance and consistency. Also included are a Finance Plan and Debt Strategy that discuss the City's options for future funding of projects. There is an inventory of all property owned and controlled by the City that provides information for possible discussion of surplus property and possible sales if considered as a funding alternative. The Summary sections include projects listed by category, by appropriation, and by funding source as in past years, with unfunded projects shaded and totaled separately. Finally, in the Funding by Source summary, staff has included a cash flow projection for each of the major Funds.

Unfunded projects that have been previously identified are, for the most part, shown as occurring in Year 5 and Future. It is possible that some projects may remain in this same Year 5 plus category through multiple editions of the CIP, which is counter intuitive. However, this provides a means to keep them available for easy reference for project priority setting should new funding

become available or the projects rise to the level of more immediate necessity. To be listed as a funded project, funds have to be available or expected to be available from current or future operating revenues or reserves. Grant funds are not usually listed until the City has been awarded the grant and funds have been committed by the granting agency.

The format also includes a listing of projects completed during the most recent fiscal years. This list will be added to each year to provide a historical account of projects completed by the City. There is also a summary of the proposed current year projects for easy reference and comparison to the proposed budget document.

Program Purpose & Description

The Capital Improvement Program (CIP) provides the City of Mt. Shasta with a long-range program for major capital projects. In general, capital improvement planning involves a long-range study of capital improvement wants and needs, available funding, project delivery scheduling and policy intentions. Public capital improvement projects typically include the construction of streets, sewer lines, water lines, storm drains, fire/police stations, parks and other City facilities. These are often one-time expenditures for projects that may take one or more years to complete, differentiating them from operations and maintenance (O & M) expenditures. However, ongoing facility improvements or equipment needs can also be included.

The first year of the CIP will become the Capital Budget. The Capital Budget is incorporated into the City operating budget for the upcoming year, which appropriates funds for specific facilities, equipment and improvements. Projects slated for subsequent years in the program are approved on a planning basis and do not receive expenditure authority until they are eventually incorporated into the Capital Budget. As such, Council endorsement of the overall five-year program is desirable for effective implementation of overall City goals and objectives.

Each project proposal is scrutinized from a variety of approaches before it is included in the budget. Projects that are included in the CIP are identified by department staff based upon:

- Input from the community.
- Input from the City Council on area needs that are developed or identified during the year.
- Master Plans for growth, improvements and rehabilitation for specific programs such as Storm Drains, Transportation, Water, and Sewer.
- Staff-identified projects based on critical need due to safety issues, or to comply with federal or state mandates.

All CIP projects are reviewed first by the Departments. Normally projects are prioritized and are presented for funding based upon what level of funding is estimated to be available for the upcoming and subsequent fiscal years. However, some development driven projects that will ultimately be funded by developer fees and charges are shown in the Plan even though they are not likely to be completed in five years, to give a better overall picture of the City's capital needs situation. In subsequent fiscal years, the CIP will be continuously modified based on staff and Council recommendations to mesh more closely with updated revenue projections.

The Five Year CIP is organized into two primary sections. The first is the Program Summaries, both by Department and by Funding Mechanism. The second section includes the Project Detail Sheets that provide more information regarding the projects.

In the Program Summaries section, projects and their related expenditures are arranged by functional category, and financing is arranged by revenue source and budget code.

Function Categories are:

- Special Projects (SP)
- Facilities (CF)
- Police and Fire (PS)
- DPW Drainage (SD)
- DPW Streets (ST)
- DPW Water (WA)
- DPW Wastewater (WW)

Finance Categories:

- General Fund
- Transportation Taxes
 - Gas Tax
 - STIP
 - Other Transportation
- Fire Assessment
- WW Ops (45)
- WW Imp (46)
- WA Ops (40)
- WA Imp (41)
- DR Ops (30)
- DR Imp (31)
- Debt, Grants, & Donations
- Unallocated

These financing categories often include fund sources, which are specifically for a certain type of work and may not be used for other purposes. A description of each funding source is provided as part of the annual budget process.

Note that *Previous Year* costs and funding are not included in the *total* column.

The Project Detail Sheet section shows the title, location, description, and purpose for each project and a more detailed breakdown of costs and revenue sources. Where applicable, a location map is also included. Projects are also given one of the following priority rankings:

- Mandated
- Necessary
- Desirable
- Deferrable

Estimates for some of the projects included are of necessity very preliminary. During update cycles, estimates are refined for the projects in the near years as time allows and more current information becomes available. Once again, the CIP should be considered a working document to be updated on an annual basis. As current year projects are completed they are dropped from the program and new projects added to the program. Each year adjustments are made to fund balances based on actual costs, existing and new projects are reviewed for priority, and then recompiled as necessary.

Consistency with the General Plan

Development of a Capital Improvement Program (CIP), in general, is supported by the City of Mt. Shasta General Plan Policy LU-10. Implementing that policy means that the City is to prepare and adopt a program for projecting and funding facility and equipment needs over a rolling five to ten year period. This is typically done at each budget cycle, and a new “fifth” year is added and the current year’s projects are prioritized and, theoretically, funded or reprioritized to a later year or when funding becomes available.

The projects listed in the CIP are derived, in most cases, from identified implementation measures from the General Plan and other master plans or policy. The CIP project list is required to be consistent with the General Plan. The 2012/13 CIP has been reviewed by the Planning Commission and determined to be consistent with the General Plan.

The 2012/13 cycle has various projects ranging from “special projects” to those for maintenance of the wastewater treatment system. Those special projects are related to bicycle transportation, clean up at the Roseburg Mill Site, and downtown sidewalk projects.

Each special project is supported by General Plan policies. For example, the General Plan supports the development of a Bicycle Transportation Plan (See pages 4-15 through 4-24). Specifically, the plan supports safe and efficient pedestrian and bicycle transportation facilities at Goal CI-8. This goal is objectified in Policy CI-8.1, and implemented as suggested in CI-8.1 (a-f).

The remaining special projects are supported by policy in the Roseburg Commerce Park Development Plan, General Plan and Downtown Streetscape Master Plan, and the Mt. Shasta’s Community Action Plan respectively.

Support for downtown beautification related projects is found on page 3-28 through 3-32. Specifically, the Goal, at LU-7 and implemented through measures LU-7.1(a - b) support beautification of the downtown area. All projects related to the Roseburg Mill Site are supported in the Development Plan for the site, which, in general, required General Plan consistency to be adopted.

Projects related to roads and infrastructure are fully supported by laws and standards set forth by the Federal Government, the State of California, and local construction standards. The General Plan promotes the construction of new roads in compliance with adopted standards as well as other laws. The current policy is found at Goal CI-2 and CI-3. These goals are implemented by following adopted construction standards, state and federal standards.

All projects related to the Water System are supported by General Plan policy found in the Land Use Element under the discussion of Public Facilities and Services starting at page 3-35. Specifically, water system projects are supported

by discussion found at 3-40, and policy at page 3-48. Specifically, the update to the Water Master Plan is supported by measure LU-18.1(b). Other related projects are supported by measures LU 18.2 (a-b).

Projects identified that relate to the Waste Water Treatment System are supported by discussion at pages 3-38 through 3-40, and implemented through policy found at goals and policy on page 3-47. The requirements of the State of California Clean Water Act also supersede any conflicting local policy, or lack of specific policy in the General Plan.

Finance Plan/Debt Strategy

The development of the financing plan for these projected Capital Improvement Projects is still in the preliminary stages at this point. It is obvious that the proposed capital projects, totaling over \$24 million, are far beyond the internal financing capacity of a City with a total annual budget of about \$6 million across all of its Funds, and for the most part probably beyond the debt service capacity of the City as well. However, the Capital Improvement Plan represents the goals of the City over the longer term, and many of the projects included in the last year of the plan are actually of necessity much farther out on the timeline than presented here. In addition, many of those projects are included from the City's infrastructure master plans and their timing is substantially development driven, so that development fees such as Impact Fees and Connection Capacity Charges would accrue at a more rapid rate than set forth in the current plan if they were actually going to be required within the five year Plan horizon. Nevertheless, they are included here to give a sense of the overall projected capital needs of the City.

The City of Mt. Shasta's General Fund has almost no financing capacity for capital improvement projects of any magnitude. The preponderance of the ongoing revenues of the General Fund are already committed to day to day operations, and any redirection of those resources would necessarily result in a reduction in services. The City has been able to reserve portions of General Fund one time revenues for its Equipment Replacement program, but these funds are not always available and barely manage to cover that need. Since there is no unrestricted cash flow in the General Fund, it would also be extremely difficult for the General Fund to finance capital projects through general obligation bonds or capital-leasing instruments. The potential for the General Fund to increase its revenues is also limited by the requirements for voter approval of any increase in taxes and the limitation on fees to the amount required to provide the related services.

For these reasons, only those projects that are projected at under \$20,000 in the Facilities, Special Projects, and Public Safety categories are included under the General Fund funding category. However, the timing of even these projects may have to be adjusted based on cash flows in the General Fund over the planning horizon. The rest of these projects are dependent on some type of grant financing, and have been included in that category where a potential grant source is identifiable, or otherwise have been placed in the Unknown Funding category. This is also the case where a potential grant source requires a significant match that the General Fund would be unable to finance.

The City has generally avoided debt financing, except where an emergency situation left it with no other alternative. This is because of the added carrying cost, i.e. interest, on debt which restricts what the City can actually acquire; and also the restrictions it places on future budget decisions. In those cases where debt financing was the only choice, internal borrowing has been used in the past.

The Transportation Tax Funds are the major source of street and roads capital improvements funding. These funds accrue to the City from the sales tax (now excise tax) on gasoline and also from special bond sources approved by the State's voters. Past policy has been to accrue these funds over time to then fund major street improvements. These funds are also the source of the annual streets chip seal maintenance program. This source of funds has been reduced over the years by the redirection of funds to public transportation, and now will barely cover the costs of annual chip seal. The accrued resources are now being drawn down over the CIP planning horizon. These funds are periodically augmented by grants from the State Transportation Improvement Program (STIP) or bonds, but these grants usually require a substantial City matching component, as with the Alma Street project, so it has been important for the City to maintain a significant balance in reserve.

The Fire Assessment Fund was established by a voter approved parcel tax to fund Fire Department equipment purchases. It generates about \$48,000 per year and has the capacity to maintain a three engine fleet on a thirty year rotation schedule, along with three auxiliary vehicles. However, the resources of the fund are now fully committed to debt service, rather than accruing funds for the next purchase. It is very possible that the City will acquire additional monies from mutual aid services on an irregular basis to bring this fund back in line with the long range plan.

The City's three enterprise operations which have a capital component each have two funds associated with them. There is an Operations and Maintenance Fund and also an Improvement Fund, which is restricted to system expansion costs – by contract in the case of the Wastewater and by policy in Water and Drainage.

The Wastewater Funds currently have adequate reserves, but as the cash flow chart shows would completely exhaust operating funds in about four years with the listed projects. In addition, there are equipment replacement capital needs, not included in this Plan which would further reduce the available cash flow. There is now the potential that substantial new regulatory requirements forthcoming from the State Water Quality Control Board will require a complete rebuilding of the Wastewater Treatment Plant which will require a whole new analysis of the capital needs of the Wastewater System.

Therefore, the timing of expansion projects, such as the Alma Street replacement or the interceptor replacement, are going to be dependent on developer contributions due to increased demand created, since the resources to put these projects in place in anticipation of future development are very limited. The City has established a connection capacity fee structure to provide funding for these eventual system expansion requirements, but with a longer term focus given the current rate of development. The Wastewater Funds have the ability to do debt financing for some of these projects, but the debt service capacity is currently being utilized by the recently financed interceptor replacement project.

The Water Funds also have substantial reserves available -- almost \$1 million after completing the tank refurbishing. Nevertheless, these funds are not enough to complete major system expansion projects within the time frame of this Plan. Again, the timing of expansion projects will depend on the rate of collection of connection capacity fees driven by new development. The Water Funds currently have no debt, so there is capacity to undertake one or more projects with debt financing if circumstances so dictate.

The Drainage Funds, although they are nominally enterprise funds, really do not have the capacity for funding capital projects. These Funds were established pre-Proposition 218 under different requirements, and the City cannot readily change their rate structure to meet all of its storm drainage needs. At best the Funds serve as a moderate supplement to the City's General Fund and Transportation Funds to offset storm drainage costs. Realistically, any major capital improvements to the system will have to be funded from transportation grants or developer contributions when warranted. The Funds currently have a small reserve that could fund a small upgrade or replacement project, but this is being slowly reduced by maintenance needs.

Real Estate Inventory

APN	Approximate Location		Lot Acres/Dim.	Transfer Record Date
036-450-230	Wastewater Treatment Plant	C	38.2	8/23/1974
036-450-240	Wastewater Treatment Plant	C	13.5	8/23/1974
036-450-251	Wastewater Treatment Plant	C	1.5	8/23/1974
036-450-260	Wastewater Treatment Plant	C	13.7	8/23/1974
036-450-270	Wastewater Treatment Plant	C	4	8/23/1974
036-450-280	Wastewater Treatment Plant	C	6.8	8/23/1974
036-450-531	Wastewater Treatment Plant	C	17.31	5/1/1990
037-200-050	City Water Tanks	C	2.2	1/1/1945
037-250-050	Cold Springs Water	C	40	1/1/1941
037-220-030	Roseburg Orchard Property	C	18.4	6/15/1990
037-220-050	Roseburg Wetlands	C	11.2	6/15/1990
067-010-010	Roseburg - West Side North		19.54	6/15/1990
067-010-020	Roseburg - West Side South		44.4	6/15/1990
067-010-140	Roseburg - East Side		51	6/15/1990
067-010-160	Roseburg - Triangle		0.3	6/15/1990
057-211-160	City Hall		27.5x127.5	2/15/1979
057-211-170	Police/Fire Department		75x127.5	0/0/1905
057-601-050	Public Works Corporation Yard		4.2	6/16/1970
057-321-080	Library	L	app 340x196	7/25/1969
057-562-440	Armory	L	5 acres	8/15/1957
057-321-050	Youth Sports Ball Park & Well 1	L	app 500x500	
057-351-170	Triangle Well 1 & Magnolia		0.3 acres	12/16/1982
057-186-060	Parking Lot - Alma St.		app 540X60	11/26/2003
057-191-100	Parking Lot - Castle St North		100x25	1/13/1977
057-191-220	Parking Lot - Castle St North		100x25	4/20/1977
057-212-190	Parking Lot - Chestnut St.		100x80	7/8/1976
057-221-020	Parking Lot - Lake St.		75x60	0/0/1984
057-221-150	Parking Lot - Lake St.		25x50	6/13/1984
057-011-060	Lassen Lane West of Freeway		1012' triangle	0/0/1965
057-023-020	Lassen Lane West of Freeway		1875' triangle	0/0/1965
057-112-030	East Ivy/Alder Parcel		165x181.5	7/15/1948
057-131-010	Cedar/W Ivy Parcel		35x125	4/12/1957
				Declared Surplus
	<u>Street Right of Ways</u>			
057-012-040	Lassen Lane Overcrossing			6/4/1965
057-031-040	Lassen Lane Overcrossing			6/4/1965
057-032-040	Pine Street - East Curb			6/4/1965

057-083-030	North MS Blvd/Chestnut Triangle		8/15/1984
057-152-060	Rockfellow Drive		3/14/1980
057-241-390	Lake Street RR to Freeway		6/4/1965
057-251-080	Morgan Way	0.5	3/31/1977
057-261-050	Lake Street SE of RR		1/18/1960
057-311-210	Siskiyou Avenue Cul de Sac	0.3	12/16/1980
057-321-140	Alma Street - at Sisson		7/25/1969
057-351-160	Birch St./B St Connection	0.3	12/16/1982
057-392-080	Smith Street S 1/2		10/7/1976
057-392-140	Gaudenzio Alley Widen		9/20/1988
057-423-060	Eiler Road Widen		10/20/1980
057-471-050	A St Alley		1/19/1960
057-472-060	Perry Ave Alley		1/1/1946
057-512-120	Corner McCloudWashington SE		10/22/1971
057-531-260	Pine Ridge Avenue N		
057-531-270	Terry Lynn Avenue		
057-541-060	Kennedy Drive		5/15/1956
057-541-130	Pine Ridge Avenue mid		5/15/1956
057-541-210	Everitt Memorial Highway W width		
057-541-320	Corner Everitt Memorial/Shasta SW		
057-551-190	Pine Ridge Avenue / Gal & BV Ct		5/15/1956
057-551-730	Rockfellow Drive		12/21/1962
057-562-480	Mountain Oak Dr	0.7	12/30/1977
057-583-120	Mountain View Dr W	0.2	10/7/1963
057-583-330	Mt. Shasta Blvd. S of Old McCloud		6/4/1965
057-595-290	Hercules Drive E		10/22/1971
057-595-490	Hercules Dr & Sarah Bell	2.8	2/27/1948
057-596-050	Sarah Bell Cul de Sac		4/11/1984
057-601-020	Mt. Shasta Blvd. S of Mountain View		
057-621-200	Siskiyou Avenue		12/16/1980
057-651-010	Old McCloud Rd Widen		9/17/1976
057-661-440	Carmen,Caroline,Rockfellow		9/13/1979
057-671-390	Carmen Drive		1/11/1979
057-671-400	Caroline Avenue		1/11/1979
057-681-390	Glen Mar,Meadow,Mountain View		
057-691-600	Glen Mar,LeBaron,Meadow		
057-702-500	Carmen Drive N		1/11/1979
057-702-510	Caroline Avenue N		1/11/1979
057-711-110	Lennon	0.7	
057-722-290	Bear Springs Road		5/12/1982
057-722-300	Village Way		8/21/1991
057-740-170	East Hinckley		12/3/1984
057-750-400	Kenneth Way & Marjorie St.		8/2/1985
057-760-130	Roelofs Court		
057-771-010	Springhill Drive	e 1	4/3/1987
057-771-090	Springhill Drive	e 4.54	4/3/1987
057-771-130	Springhill Drive	e 4.1	4/3/1987
057-771-190	Springhill Drive	e 1.6	4/3/1987

057-781-170	Springhill Drive	e		4/3/1987
057-791-091	Springhill Drive	e		4/3/1987
057-791-101	Mt. Shasta Blvd N of City Park			4/3/1987
057-801-050	Ski Village Drive/Salanti Road		0.2	4/2/1952
057-801-180	Mt. Shasta Blvd S of City Park			4/3/1987
057-821-140	Nixon Road		0.6	8/22/1952
	Mt. Shasta Blvd & Reginato			
057-821-180	Road		0.2	7/8/1974
057-821-390	Mt. S			4/3/1987
057-831-150	Mt. Shasta Blvd S of Cross			4/3/1987
067-010-180	Mt. Shasta Blvd Roseburg			6/4/1965

C = In

County

L = Leased

Out

e = excess right of way